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June 16, 2010

**By Email Transmission, Facsimile Transmission  
and Federal Express Delivery**

Thomasenia Duncan, Esq.  
General Counsel's Office  
Federal Election Commission  
999 F Street, NW  
Washington, DC 20463

Dear Ms. Duncan:

**Re: Response of Michigan Republican State Committee and Various Named Individuals  
in MUR 6276**

This Response is submitted by the undersigned counsel on behalf of the Michigan Republican Party ("MRP") and Chairman Ron Weiser, Ken McKay (former RNC Chief of Staff), and the 14 individuals set forth below, in response to the Complaint designated as Matter Under Review 6276. The 14 individuals named as Respondents in the Complaint, and on whose behalf this Response is also submitted, are: (1) Gaylen Byker; (2) Thomas Celani; (3) Vicki Celani; (4) Michael Ferrantino; (5) Kellie Ferrantino; (6) Michael Jandernoa; (7) Susan Jandernoa; (8) John Kennedy; (9) Nancy Kennedy; (10) Robert Lynas; (11) Joyce Lynas; (12) William Parfet; (13) William Young; and (14) Vivienne Young.

On April 20, 2010, the Federal Election Commission (FEC) received a complaint (the "Complaint") filed by Mark Brunner, Chairman of the Michigan Democratic Party, against the Michigan Republican State Committee<sup>1</sup> and Chairman Ron Weiser, the Republican National Committee ("RNC") and Chairman Michael Steele, and 17 individual donors. The Complaint is based on a single blog report from the *Daily Caller*, an Internet-based news and opinion website, published on April 7, 2010. (The very same day, the Michigan Democratic Party issued a press release trumpeting the "story," see attached.) The *Daily Caller* report, in turn, is sourced entirely from statements alleged made by one "former RNC official." The contributions and transfers referenced in the *Daily Caller* piece are all lawful transactions. The remaining allegations consist solely of speculative accusations by an unnamed source, coupled with conclusory and unsubstantiated statements from the *Daily Caller* writer.

The Complaint should be immediately dismissed because it does not satisfy the Commission's standard for making a "reason to believe" finding. As the Commission has stated in the past,

<sup>1</sup> The Michigan Republican State Committee is more commonly referred to as the Michigan Republican Party.

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"[c]omplaints not based upon personal knowledge must identify a source of information that reasonably gives rise to a belief in the truth of the allegations presented....Unwarranted legal conclusions from asserted facts ... or mere speculation ... will not be accepted as true." Statement of Reasons of Commissioners Mason, Sandstrom, Smith, and Thomas in MUR 4960 (Hillary Rutiham Clinton). See also Statement of Reasons of Commissioners Mason, Sandstrom, McDonald, Smith, Thomas, and Wolf in MUR 5141 (Mason) ("Unless based on a complainant's personal knowledge, a source of information reasonably giving rise to a belief in the truth of the allegations must be identified."). As three Commissioners stated more recently, "The RTB standard does not permit a complainant to present mere allegations that the Act has been violated and request that the Commission undertake an investigation to determine whether there are facts to support the charges....The Commission must have more than anonymous suppositions, unsworn statements, and unanswered questions before it can vote to find RTB and thereby commence an investigation." Statement of Reasons of Commissioners Petersen, Hunter, and McGahn in MUR 6056 (Protect Colorado Jobs Inc.).

In the event the FEC, or individual Commissioners, prefer to ~~ate~~ the Complaint's allegations substantively refuted, such response is set forth below. Once the facts are fully considered, it will be clear that *even if* the Complaint is deemed to satisfy the procedural requirements referenced above, no violation of any provision of the Federal Election Campaign Act or FEC regulation occurred, and past enforcement matters preclude a finding of "reason to believe" in this case. See, e.g., MUR 5968 (John Shadegg's Friends).

## ***Contributions to the Republican National Committee***

In the attached affidavit provided by Chairman Weiser, the Chairman states that he was not aware of any "illegal scheme to evade and exceed the \$10,000 annual individual limit on contributions to the federal account of the [Michigan Republican State Committee]." See Affidavit of Ronald Weiser at ¶ 3. If such an illegal scheme truly existed, how does the Complaint explain the fact that only 6 of the 17 individual donors contributed the maximum \$10,000 annual amount to the Michigan Republican Party federal account in 2009? See Affidavit of Ronald Weiser at ¶ 3.

Chairman Weiser acknowledges that he solicited contributions to the Republican National Committee from the following individuals named in the Complaint:

- Albert Berriz;
- Gaylen Byker;
- Michael Ferrantino;
- Michael Jandemmoa;
- John Kennedy;

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- Robert Lynas;
- William Parfet;
- Robert Thompson;
- William Young.

Robert Schostak, the Finance Chairman of the Michigan Republican State Committee, solicited Thomas Celani for a contribution to the Republican National Committee. (The aforementioned donors' wives were not directly solicited by officials of the Michigan Republican State Committee.)

As Chairman Weiser's affidavit indicates: "However, at no time did these contacts suggest that the RNC would re-direct their contributions from the RNC to the MRP." See Affidavit of Ron Weiser at ¶ 5.

The Complaint states that five of the above-named individuals "had never given the annual maximum to the RNC. Indeed, at least four (4) of them ... had never even contributed to the RNC at all." This means, of course, that 13 of the 17 named individuals have in fact contributed to the RNC in the past - 11 of whom have previously contributed the maximum annual contribution amount and 2 of whom contributed at major donor levels. In any event, it is simply not the case that a history of lawful contributions, or a history of not making contributions, can properly be viewed as evidence of an "illegal scheme" in an enforcement matter.

The Complaint focuses on 17 contributions made between December 21, 2009, and December 30, 2009. The Complaint ignores 9 other maximum contributions made by Michigan donors to the RNC and deposited between November 18, 2009, and December 23, 2009. When these contributions are taken into account, and one views a complete picture of Michigan donors who made maximum contributions to the RNC in the final days of 2009, the facts simply do not support the existence of an alleged scheme to transfer \$500,000 from the RNC back to the MRP. The numbers do not add up.

The following contributors residing in Michigan made maximum contributions to the RNC between November 18 - December 23, 2009, but these contributions are not mentioned in the Complaint. Their absence is inexplicable, and without them, the record is incomplete:

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Contributor Name	Date	Contribution Amount	FEC Report Page/ID Number
Robert Liggett	November 18, 2009	\$30,400	29935592760
Betsy DeVos	November 25, 2009	\$30,400	29935591249
Richard DeVos	November 25, 2009	\$30,400	29935591250
Gene Goodman	December 16, 2009	\$30,400	10930091904
Linda Demmer	December 16, 2009	\$30,400	10930091372
Gary Granger	December 18, 2009	\$30,400	10930091937
William Demmer	December 18, 2009	\$30,400	10930091372
Timothy Leuliette	December 23, 2009	\$30,400	10930092854
Timothy Patton	December 23, 2009	\$30,400	10930093667

Thus, there are \$273,600 in contributions that fall into the exact same category as the 17 contributions mentioned in the Complaint (i.e., contributions to the RNC from Michigan donors in amounts of \$30,400 at the end of 2009), but which were mysteriously omitted. Including them, however, makes very plain that there was no "\$500,000 scheme."

In fact, the Complaint names Michael and Susan Jandernea as Respondents participating in this "\$500,000 scheme" because their contributions were received by the RNC on December 23, 2009. However, without explanation, the Complaint ignores the contributions of Timothy Leuliette and Timothy Patton, whose \$30,400 contributions were also received by the RNC on December 23, 2009. Such hypocrisy dooms the Complaint to an inevitable dismissal.

The Complaint states that "suddenly and collectively on December 23 and 31, 2009 all of these contributors maxed out to the RNC...." The Complaint ignores the contributors listed in the chart above, and also ignores a very obvious explanation for why contributors might "max out" in December 2009: December is the end of the annual contribution limit period. As noted above, 13 of the 17 contributors referenced by the Complainant had contributed to the RNC in the past, and the 9 contributors not mentioned in the Complaint all have long donor histories. The Complaint cites no evidence that the contributions at issue were made "suddenly and collectively." Nor could there be any such evidence, unless the Complainant has somehow obtained evidence demonstrating the state of mind and intentions of another political party's donors. More likely, the charge is simply fabricated.

The Complaint then states that the RNC "promptly sent nearly the total contributions received - \$500,000 - back to the [Michigan Republican State Committee]." The Complainant willfully misstates the amount of "the total contributions received," ignoring the additional contributions listed above. And as demonstrated below, the Complainant also misstates the amount transferred from the RNC to the MRP. The basic facts set forth in the Complaint are simply and demonstrably wrong.

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*Each of the 14 individual donors named as Respondents in the Complaint states in a sworn affidavit that his or her contribution was "not earmarked in any way" and "there were absolutely no strings attached to my contribution to the Republican National Committee." See attached affidavits.*

*In addition, each donor affiant states that "Prior to making my contribution to the Republican National Committee, I never spoke with anyone from the Republican National Committee about my contribution." None of the individual donors made an unlawful or excessive contribution or were otherwise involved in any unlawful transaction.*

Notably, the Complaint does not allege or contain any information indicating that any of the donors retained control over the funds after they made the contributions to the RNC. In fact, the donors' attached affidavits demonstrate that the donors expressly relinquished control. Therefore, such contributions could only be aggregated and thus considered excessive, if the donors had actual knowledge that the RNC would use their respective contributions to contribute to the MRP. See MUR 5968 (John Shadegg's Friends).

However, the Complaint also does not contain any allegation or evidence that the named donors had any knowledge of an alleged "illegal scheme." (In the absence of such actual knowledge, the Commission has previously determined that it cannot find that the donors made excessive contributions. See MUR 5968 (John Shadegg's Friends).)

## ***Transfers from the Republican National Committee to the Michigan Republican State Committee***

The Complaint focuses on two transfers of \$250,000 from the RNC to the MRP. As was the case with the Complaint's allegations regarding contributions, the Complaint also ignores material information regarding RNC transfers to the MRP. An accurate picture of the RNC's transfers to the MRP is readily available in FEC reports. Because the Complaint withholds material facts, those transfers are set forth below:

- June 10, 2009: \$30,000 (in-kind).
- December 8, 2009: \$25,000.
- December 15, 2009: \$10,000.
- January 8, 2010: \$250,000.
- February 5, 2010: \$250,000.

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- March 1, 2010: \$3,300 (in-kind).
- April 6, 2010: \$165,000.
- April 15, 2010: \$7,969.72 (in-kind).
- May 4, 2010: \$7,700.

While focusing exclusively on two transfers of \$250,000, the Complaint ignores an additional \$256,969.72 in transfers made during the same election cycle.

## **Conclusion**

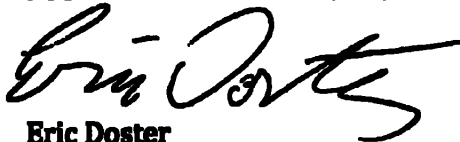
The Complaint includes no actual evidence of any contribution, transfer, or other activity that is prohibited under federal campaign finance laws. "When a complaint cites activity which does not constitute a violation of the FECA, the Commission may find no reason to believe." Statement of Reasons of Commissioners McDonald, Mason, Sandstrom, Smith, Thomms, and Wold in MUR 5120 (Hillary Rodham Clinton). The Complaint presents an incomplete factual record for the sake of admitting a theory derived from an unnamed source in a blog report. When examined in light of a complete factual record, that theory falls apart.

The Complaint should be dismissed as to all parties immediately. In addition, I hereby request that the Commissioners admonish the Complainant (Mark Brewer) for filing a frivolous complaint intended to harass, and for seeking to mislead the Commission through the omission of readily-available material facts. For your reference, we have also attached Mr. Brewer's three press releases on this matter, which demonstrate that the real reason behind the filing of the Complaint is to publicly harass the Respondents. Such an unconscionable and despicable attempt by Mr. Brewer must be addressed by the Commissioners.

If you have any additional questions, or if you require any additional information, please feel free to contact me.

Sincerely,

FOSTER SWIFT COLLINS & SMITH PC



Eric Foster

ED:js

Enclosures

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**Thomasenia Duncan, Esq.**

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**cc w/enc:**    **Jeff Jordan, FEC General Counsel's Office**  
                 **Tom Josefiak, Co-Counsel, Holtzman, Vogel, PLLC**  
                 **Ron Weiser, Chairman, Michigan Republican Party**  
                 **Ken McKay**  
                 **Gaylen Byker**  
                 **Thomas and Vicki Celani**  
                 **Michael and Kellie Ferrantino**  
                 **Michael and Susan Jandernoa**  
                 **John and Nancy Kennedy**  
                 **Robert and Joyce Lynas**  
                 **William Parfet**  
                 **William and Vivienne Young**

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# **MICHIGAN DEMOCRATIC PARTY**

## **PRESS RELEASES**



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FOR IMMEDIATE RELEASE  
04/07/2010

Contact: John Tramontana  
517-371-5410

### Ron Weiser: Ambassador, Chairman, Money Launderer? In MRGP Scheme, Donors Fund RNC and RNC Funds MRGP

LANSING – The Daily Caller today reported that a former RNC official confirmed the existence of a secret deal between the RNC and Michigan Republican Party (MRP), under which Michigan donors passed out to the RNC, which then gave the money to the MRP.

"This secret scheme may be an illegal attempt to evade federal contribution limits," said Michigan Democratic Party Chair Mark Brewer. "Individuals can give only \$10,000 per year to the Michigan Republican Party but they can give \$30,400 per year to the RNC. If those donations to the RNC were made with the agreement or understanding that they would be transferred to the MRP, the RNC, Michael Steele, MRGP and Ron Weiser may have broken the law."

The MRP has a history of significant campaign finance violations. Based on complaints by the MRP beginning in the 1990s, the MRP has faced numerous investigations and audits by the Federal Election Commission revealing millions of dollars in illegal and/or unreported expenditures.

To read the report, click on this link.






<http://mktgoutlet.com/2010/04/07/former-no-official-steele-struck-a-deal-with-michigan-gop-to-increase-fundraising-numbers-possibly-to-circumvent-federal-funding-limits/print/>

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- Bob Young: No Relief For Worker Nearly Electrocuted on Job  
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- FEC Investigating MRGP, RNC, and GOP Donors Involved in Money Laundering Scheme  
[Top GOP Officials May Have Broken Federal Campaign Finance Laws](#)
- Brewer Files Complaint Against MRGP, RNC, GOP Donors in Campaign Finance Scandal  
[Complaint Says MRGP, RNC, and Donors Violated Federal Election Campaign Act](#)
- MDP Chair Mark Brewer's Statement on the Retirement of Congressman Bart Stupak

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04/14/2010Contact: John Tranter  
917-371-8416**Brewer Files Complaint Against MRP, RNC, GOP Donors in Campaign Finance Scandal***Complaint Says MRP, RNC, and Donors Violated Federal Election Campaign Act*

LANSING – Michigan Democratic Party Chair Mark Brewer today filed a complaint against Ron Weiner, the Michigan Republican Party, Michael Steele, the Republican National Committee, and 17 GOP contributors alleging they violated the Federal Election Campaign Act.

According to a story in *The Daily Caller*, the RNC and MRP had an agreement to increase the RNC's fundraising numbers and funnel money back to the MRP by laundering money between the two. The complaint states that this agreement was put into place in order for these 17 donors to exceed the federal contribution limit of \$4,000 annually to the MRP.


"This is a blatant violation of the law," Brewer said. "It's clear that Michael Steele and Ron Weiner were trying to avoid federal limitations on contributions in order to increase the RNC's fundraising numbers and funnel funds to the MRP."

The Republican donors listed in the complaint include: Al Hunt and Paula Barick of 405 Lenawee Drive, Ann Arbor, MI 48104, Gaylen Bylar of 3301 Burton Street, S.E., Grand Rapids, MI 49546, Thomas and Vicki Stetzel of 2000 Turtle Lake Drive, Bloomfield Hills, MI 48302, Michael and Kelle Ferrantino of 48080 Ann Arbor Road, Plymouth, MI 48170, Michael and Susan Janderman of 9285 Olive Street Avenue, West Olive, MI 48460, John and Nancy Kennedy of 4810 Bradford Street, N.E., Grand Rapids, MI 49326, Robert and Joyce Lyness of 18888 Landing Drive, Spring Lake, MI 49456, William Parlet of 16570 Northwood Lane, Midland Township, MI 48660, Robert Thompson of P.O. Box 6348, Plymouth, MI 48170, and William and Vivian Young of 1286 Chappin Hill Road, Ypsilanti, MI 48198.

"These donors are just as responsible as Weiner and Steele," Brewer continued. "Many of these contributors had never given the maximum donation to the RNC until this illegal scheme was hatched. It's clear the FECA was violated."

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*Justice Young Again Denies Justice to Workers***PEC Investigating MRP, RNC, and GOP Donors Involved in Money Laundering Scheme**  
*Top GOP Officials May Have Broken Federal Campaign Finance Laws***Brewer Files Complaint Against MRP, RNC, GOP Donors in Campaign Finance Scandal**  
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FOR IMMEDIATE RELEASE  
05/02/2010Contact: John Tramentana  
317-371-8410

## FEC Investigating MRP, RNC, and GOP Donors Involved in Money Laundering Scheme

*Top GOP Officials May Have Broken Federal Campaign Finance Laws*

**LANSING** – The Federal Election Commission has opened an investigation into the MDP's complaint about a money laundering scheme between the Republican National Committee (RNC), the Michigan Republican Party (MRP), and 17 Republican donors.

The Michigan Democratic Party filed a complaint last month after an article appeared in *The Daily Caller*, alleging an agreement between the RNC and MRP to increase the RNC's fundraising numbers and funnel money back to the MRP by laundering money between the two. The complaint states that this agreement was put into place in order for these 17 donors to exceed the federal contribution limit of \$10,000 annually to the MRP.

"It's clear that Michael Steele, Ron Weber, and 17 Republican donors broke the law when they devised this scheme," Michigan Democratic Party Chair Mark Brewer said. "Many of these donors had never given money to the RNC before, let alone moved out just before the end of the year filing deadline. We're confident the truth about this scheme will come out during the course of the investigation."

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